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EX PARTE

April 5, 2007

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

FILED/ACCEPTED

APR - 5 2007

Federal Communications Commission
Office of the Secretary

*Re: Section 272(f)(1) Sunset of the BOC Separate Affiliate and
Related Requirements, WC Docket No. 02-112*

Dear Ms. Dortch:

At a meeting with Verizon on March 29, 2007, Wireline Competition Bureau Staff asked several questions about the data provided in Verizon's March 27 Response.¹ The attached exhibits and information below provide additional responses to staff's questions?

Wireline Competition Bureau Staff had requested the disaggregation of certain data for Pennsylvania and Virginia by areas served by the former Bell Atlantic and the former GTE. Verizon's April 3 Submission contained this disaggregation for most data associated with presubscribed legacy Verizon residential lines, with the exception of legacy Verizon residential retail lines that are presubscribed to Verizon Long Distance (worksheets by state provided in Exhibit 1.A.1 of Verizon's March 27 Response). Although Verizon Long Distance does not maintain data disaggregating subscriber lines by areas served by the former Bell Atlantic and the

¹ Response of Verizon to the Commission's March 13, 2007 Information Request ("Verizon's March 27 Response"), *attached to* Letter from Joseph Jackson, Verizon, to Marlene H. Dortch, FCC, WC Docket No. 02-112 (Mar. 27, 2007).

² Verizon also submitted additional exhibits and information on April 3, 2007. *See* Letter from Joseph Jackson, Verizon, to Marlene H. Dortch, FCC, WC Docket No. 02-112 (Apr. 3, 2007) ("Verizon's April 3 Submission").

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former GTE, the attached Exhibit 1.A.1.b provides an estimate of this disaggregation. The estimate applies to the Pennsylvania and Virginia totals reported in Exhibit 1.A.1 of Verizon's March 27 Response, the average former Bell Atlantic/former GTE allocation of Exhibit 1.A.2.a (legacy Verizon residential retail lines for which Verizon Long Distance is not the PIC) and Exhibit 1.A.3.a (legacy Verizon residential retail lines for which no PIC is identified), for each state and time period.

Verizon's March 27 Response contained residential E911 listings data for most states in Verizon's service area (Exhibit 1.F.1). In the four states for which these data were not available for the time period requested by the Commission in Specification 1.f, Verizon submitted LNP data (Exhibit 1.F.2). Wireline Competition Bureau Staff requested that Verizon provide estimates for the number of facilities-based residential lines served by CLECs where Verizon submitted incomplete or no E911 listings data.

The attached Exhibit 1.F.3 contains estimates in response to the staff's request. In states where E911 listings data for 2003 are not available: Verizon provided an estimate for December 2003 based on the growth rate of residential E911 listings experienced between December 2004 and December 2005, in each respective state. In Rhode Island, where E911 listings data are only available through 2005, Verizon estimated the December 2006 volume by applying the growth rate of residential E911 listings experienced between December 2004 and December 2005 in that state.

In Arizona, Idaho, Michigan, Nevada, Ohio, and South Carolina, E911 listings data are only available beginning with January 2007. For these states, Verizon relied on the average monthly growth rate of residential E911 listings experienced between January 2007 and March 2007, in each respective state, and applied this trend to the residential E911 listings data for January 2007, to estimate data for December 2003 through December 2006. **[BEGIN HIGHLY CONFIDENTIAL]**

[END

HIGHLY CONFIDENTIAL]

E911 listings data are not available for Connecticut and Vermont across all time periods requested by the Commission; for these states, Verizon provided the total number of local numbers ported to competitors. Wireline Competition Bureau Staff suggested the use of an alternate source for these data, such as White Pages Directory Listings. Verizon does not at this time have access to White Pages Directory Listings data that would be sufficient to respond to the Commission's March 13 Information Request. White Pages Directory Listings data also understate the extent of facilities-based competition, because, for example, consumers may request unlisted telephone numbers or a CLEC may not request that an access line be listed. White Pages data also may overstate the extent of facilities-based competition, for example, where a customer subscribes to multiple listings for the same telephone line.

³ As described in Verizon's response to Specification 1.f, these data were unavailable for California, Illinois, Indiana, North Carolina, Oregon, Texas, Washington, and Wisconsin.

Wireline Competition Bureau Staff also suggested that estimates might be based on data reported in the FCC's Local Competition Reports. Exhibit 1.F.3 contains estimates for the number of facilities-based residential lines CLECs serve in Connecticut and Vermont on this basis. For December 2003 through December 2005, the number of facilities-based CLEC lines (reported by the FCC in Table 18) was multiplied by the percentage of CLEC lines that are residential (reported by the FCC in Table 11 or 12), and data for MCI were subtracted (based on MCI's Form 477 submissions). The resulting estimate of facilities-based residential CLEC lines was allocated to Verizon's franchise area within the state based on the proportion of residential switched access lines within a state that is served by Verizon (based on ARMIS Report 43-08, Table 111). For December 2006, the average monthly growth rate for facilities-based CLEC lines reported by the FCC for December 2005 through June 2006 was applied to an estimate of facilities-based residential CLEC lines for June 2006. Volumes for MCI were not subtracted for the June 2006 and December 2006 periods, because the FCC's report does not classify MCI as a CLEC beginning with the June 2006 data period.

Verizon is not able to validate the estimates provided in Exhibit 1.F.3. This methodology may not accurately reflect the extent of facilities-based competition within Verizon's service area. For example, the methodology assumes that the CLECs' data collected by the FCC are distributed evenly throughout a state, even though the amount of competition within another ILEC's service area within that state may differ from the amount in Verizon's service area. **As** another example, as shown in Exhibit 1.F.3, this methodology applies statewide trends, such as the decline in facilities-based residential lines in Connecticut (which may be due to the exclusion of AT&T data beginning with December 2005), to Verizon's franchise area, even though this may not be an accurate representation of the competitive trends in Verizon's franchise area within the state. In addition, as the Commission notes in the **June 2006 Local Competition Report**, CLEC data prior to June 2005 may be incomplete! Estimates for Vermont for 2003 and 2004 are not available because data were withheld from the Local Competition Report to maintain confidentiality.

Verizon continues to gather data that address the remaining issues for which the Wireline Competition Bureau Staff requested clarification, and will submit them to the Commission as they become available.

Verizon is also submitting Exhibit 1.G.1, which provides an estimate of subscription-based over-the-top VoIP subscribers, for each Verizon franchise area, for each quarter between year-end 2004 and the fourth quarter of 2006. This exhibit adds data for the third and fourth quarters of 2006 to the data provided as Exhibit 1.G to Verizon's March 27 Response, based on a newly released estimate by Bemstein Research of nationwide VoIP subscribers.⁵

⁴ Ind. Anal. & Tech. Div., Wireline Competition Bureau, FCC, **Local Telephone Competition: Status as of June 30, 2006** at Table 18, note (Jan. 2007).

⁵ See C. Moffett, *et al.*, Bemstein Research, VoIP: **The End of the Beginning** at Exhibit 1 (Apr. 3, 2007) (estimating non-cable VoIP lines).

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Exhibits I.A.1.b and I.F.3 contain **Highly** Confidential Information and have been marked "HIGHLY CONFIDENTIAL INFORMATION - SUBJECT TO SECOND PROTECTIVE ORDER IN WC DOCKET NO. 02-112 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION" in accordance with the Second Protective Order in this proceeding.⁶

If you have any questions, please call me at 202-515-2467.

Very truly yours,

A handwritten signature in cursive script that reads "Joseph Jack".

Enclosures

⁶ *Section 272(f)(1) Sunset of the BOC Separate Affiliate and Related Requirements*, Second Protective Order, WC Docket No. 02-112, DA 07-1389 (rel. Mar. 23, 2007).

EXHIBIT 1.A.1.b

REDACTED – FOR PUBLIC INSPECTION

EXHIBIT 1.F.3

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EXHIBIT 1.G.1
ESTIMATE OF OVER-THE-TOP VOIP LINES IN VERIZON'S FRANCHISE AREA

STATE	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06
Arizona	44	71	90	111	141	174	200	218	233
California	19,040	30,330	39,525	48,764	56,731	69,634	77,053	83,820	88,214
Connecticut	171	272	362	446	505	620	678	737	785
Delaware	1,389	2,212	2,966	3,659	4,499	5,523	6,788	7,385	7,867
District of Columbia	1,424	2,269	2,787	3,438	4,158	5,104	5,920	6,440	6,861
Florida	8,756	13,948	17,936	22,128	25,799	31,667	36,240	39,423	39,794
Idaho	402	641	848	1,046	1,182	1,450	1,724	1,876	2,025
Illinois	3,380	5,384	7,634	9,419	9,565	11,740	14,269	15,522	15,892
Indiana	3,152	5,021	6,766	8,347	8,666	10,637	14,202	15,450	16,098
Maine	2,127	3,388	4,888	6,030	7,633	9,369	10,626	11,559	12,315
Maryland	11,681	18,607	24,300	29,980	36,579	44,898	51,776	56,324	60,007
Massachusetts	16,876	26,883	33,199	40,959	48,436	59,452	65,485	71,237	75,894
Michigan	3,290	5,241	7,623	9,405	10,575	12,980	12,889	14,021	14,737
Nevada	167	266	365	450	542	666	763	830	929
New Hampshire	3,214	5,120	6,592	8,133	9,752	11,970	13,260	14,425	15,368
New Jersey	20,582	32,787	42,013	51,834	61,714	75,749	85,184	92,666	98,619
New York	37,140	59,164	76,994	94,991	110,780	135,976	156,983	170,771	180,614
North Carolina	1,317	2,097	2,770	3,418	3,999	4,909	4,459	4,851	5,138
Ohio	3,494	5,566	7,486	9,236	11,233	13,788	15,031	16,352	17,225
Oregon	1,990	3,171	3,942	4,863	6,182	7,587	8,523	9,272	9,829
Pennsylvania	17,463	27,818	36,454	44,974	56,088	68,844	78,879	85,807	91,283
Rhode Island	2,475	3,942	5,241	6,467	7,360	9,035	9,837	10,701	11,401
South Carolina	777	1,237	1,634	2,016	2,436	2,990	3,431	3,732	3,697
Texas	6,067	9,665	13,051	16,101	17,690	21,714	25,512	27,753	28,851
Vermont	1,077	1,715	2,272	2,803	3,418	4,196	4,633	5,040	5,370
Virginia	12,969	20,660	26,818	33,087	40,016	49,117	55,430	60,298	63,705
Washington	3,529	5,622	7,192	8,873	10,876	13,350	15,000	16,318	16,924
West Virginia	2,327	3,708	4,918	6,068	7,467	9,165	10,647	11,582	12,340
Wisconsin	2,112	3,365	4,486	5,535	6,484	7,959	8,987	9,776	10,309
TOTAL	188,430	300,170	391,152	482,581	570,507	700,262	794,410	880,951	915,208

Sources

(1) Nationwide VoIP subscriber estimates by Bernstein Research:

J. Halpern, et al., Bernstein Research, *Quarterly VoIP Monitor: The "Real" Price Gap for VoIP Driving Rapid Subscriber Growth* (July 15, 2005) (4Q04)

C. Moffett, et al., Bernstein Research, *Quarterly VoIP Monitor: Six Million and Counting* at Exhibit 1 (June 12, 2006) (1Q05)

C. Moffett, et al., Bernstein Research, *Quarterly VoIP Monitor: Playing Follow the Leader (...Cablevision, That Is)* at Exhibit 17 (Sept. 20, 2006) (2Q05-2Q06)

C. Moffett, et al., Bernstein Research, *VoIP: The End of the Beginning* at Exhibit 1 (Apr. 3, 2007) (3Q06-4Q06)

(2) Residential high-speed Internet access lines by state:

Ind. Anal. & Tech. Div., Wireline Competition Bureau, FCC, *High-Speed Services for Internet Access: Status as of December 31, 2004* at Table 11 (July 2005) (4Q04 and 1Q05 allocation)

Ind. Anal. & Tech. Div., Wireline Competition Bureau, FCC, *High-Speed Services for Internet Access: Status as of June 30, 2005* at Table 13 (Apr. 2006) (2Q05 and 3Q05 allocation)

Ind. Anal. & Tech. Div., Wireline Competition Bureau, FCC, *High-Speed Services for Internet Access: Status as of December 31, 2005* at Table 13 (July 2006) (4Q05 and 1Q06 allocation)

Ind. Anal. & Tech. Div., Wireline Competition Bureau, FCC, *High-Speed Services for Internet Access: Status as of June 30, 2006* at Table 13 (Jan. 2007) (2Q06, 3Q06, and 4Q06 allocation)

(3) Residential switched access lines by state, by reporting ILEC:

ARMIS Report 43-08, Table III (2004 data) (4Q04-3Q05 allocation)

ARMIS Report 43-08, Table III (2005 data) (4Q05-3Q06 allocation)

ARMIS Report 43-08, Table III (2006 data) (4Q06 allocation)